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C O N F I D E N T I A L SECTION 01 OF 03 KATHMANDU 001772

SIPDIS

STATE FOR SA/INS
LONDON FOR POL - RIEDEL

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TAGS: [PGOV](#) [PREL](#) [NP](#) [GON](#)

SUBJECT: PM WORRIED ABOUT RUMORS OF KINGLY INTERVENTION

REF: A. (A) KATHMANDU 1762

[1](#)B. (B) KATHMANDU 1748

[1](#)C. (C) KATHMANDU 1741

[1](#)D. (D) KATHMANDU 1515

Classified By: POL PMAHONEY. REASON: 1.5 (B,D).

SUMMARY

[1](#)1. (C) In a September 12 meeting with the Ambassador and UK Ambassador Keith Bloomfield, Prime Minister Sher Bahadur Deuba seemed clearly distressed by rumors that King Gyanendra wants to postpone the November 13 national elections, "seize power" by invoking Clause 127 of the Constitution, and substitute "his own man" for Deuba as head of government. He reiterated several times that he feels his personal credibility is linked to the elections going forward as scheduled and asked both Ambassadors to send a "strong signal" to the Palace to allow polling to proceed. He indicated he will re-impose the state of emergency selectively in certain areas after a meeting with leaders of the major political parties. A September 11 press release from Maoist supremo Prachanda (septel) offering a ceasefire he dismissed as a ploy, but noted he had sent discreet feelers through an intermediary about the possibility of resuming dialogue. The Army Chief told the UK Ambassador September 12 that recent Maoist successes have made the Army question its ability to provide adequate security for the elections. End summary.

PALACE PLOY?

[1](#)2. (C) In a September 12 meeting with the Ambassador and with UK Ambassador Keith Bloomfield, Prime Minister Sher Bahadur Deuba admitted to "some suspicion that the Palace doesn't want elections" (Ref A). Although the PM said that King Gyanendra has told him nothing directly, well-connected Palace emissaries have let it be known that the King wants elections postponed and wants Deuba to step down, to be replaced by "his own man"--Deuba said he had heard former Panchayat-era PM Kirti Nidhi Bista suggested-- as head of an interim government for two years. Deuba said he has rebuffed the suggestion to postpone polling, stressing his position that the Government of Nepal (GON) should proceed with preparations to hold national elections on November 13. "Let's try first" before deciding that elections cannot be held, he stressed.

[1](#)3. (C) Amb. Bloomfield asked which government body has the authority to determine that elections should be postponed. Deuba responded that the Cabinet can recommend postponement, but such a decision would require his assent as Prime Minister. Nonetheless, Deuba added gloomily, the King is rumored to be saying if the (security) situation does not improve, "he has to seize power" by invoking Clause 127 of the Constitution (Ref A). "He's very much impatient to have some sort of role." The King is "very clever," Deuba said. He is "creating perceptions" that the elections cannot be held in order to provoke a Constitutional crisis. The King might then blame Deuba for having asked him to dissolve Parliament and call for elections. But "the King cannot force me to resign," he declared, although he later indicated he would personally feel compelled to resign if he were unable to hold elections as promised.

[1](#)4. (C) Both Ambassadors attempted to press Deuba on whether he would participate in an interim Cabinet, should a determination be made that elections cannot be held. Deuba was reluctant to accept even the hypothetical suggestion that elections be postponed, emphasizing that he believes his personal credibility is firmly linked to holding to the election schedule. At another point in the conversation, however, he said he would be ready to take part in an all-party Cabinet--possibly also including technocrats. He asked both Ambassadors to send a "strong signal" to the Palace that elections should go forward as scheduled.

SELECTIVE STATE OF EMERGENCY AN OPTION

15. (C) Deuba said he plans to call an all-party meeting once the Election Commission announces its long-pending decision on which Nepali Congress faction may use the party symbol during elections. (Note: This decision is expected soon. End note.) Deuba said he will raise re-imposition of the state of emergency, which expired August 28, in the meeting, adding that the other parties are sure to oppose the emergency. (Note: Nepali press on September 12 quoted the State Minister for Home Affairs as asserting the emergency will be re-imposed, regardless of the outcome of the all-party meeting. End note.) Deuba indicated he will use the parties' objections to the emergency to re-impose it on a selective basis, applying it only in those areas most affected by the insurgency. When elections are to be held in those areas, the emergency could be lifted. Controls on the press would have to be lifted if the emergency is applied only to certain parts of the country, Deuba acknowledged; "only the movement of the people would be suppressed."

PROSPECTS FOR DIALOGUE

16. (C) Ambassador Malinowski raised the September 11 press release from Maoist supremo Prachanda offering a ceasefire (septel). The Prime Minister dismissed the offer as a typically insincere ploy by the insurgents. If, however, the offer could be determined to be genuine, the door would be open for secret talks. He said he had sent out feelers through a purported Maoist emissary to "discreet talks." The Maoists are supposed to be holding an important meeting next week, after which the PM has been told to expect a reply. The PM said he emphasized in his message to the insurgents that at the very least they suspend violent activities during the elections. Otherwise, if violence disrupts the elections and they cannot be held, he concluded, "my credibility will be damaged."

17. (C) The problem is, Deuba noted, he can never be sure of the credentials of the supposed Maoist emissaries who contact him, or with what authority they may speak for the leadership. Although there are many would-be mediators, "I don't know who the real person is." Because of the Maoists' anti-royal rhetoric, the King himself "is not very keen" on brokering talks with the Maoists, Deuba said, but noted in the same breath rumors that had surfaced in the past linking the Maoists to India and the Palace.

CABINET CLEANING

18. (C) Ambassador Malinowski asked if the PM were considering changes in his Cabinet (Ref B). The PM replied that he is deferring that decision--like the decision about restoring the emergency--until after the Election Commission makes a determination about his party's election symbol. Deuba acknowledged that the King had earlier urged him to pare down his Cabinet, but noted that various factors, like having to await the Supreme Court's decision on the dissolution of Parliament (Ref D), had made him defer action. Deuba said that he would dismiss some of his ministers accused of corruption. Ambassador Malinowski said that some of those were among the most politically powerful figures in his party and asked what they might do in retaliation. Deuba noted ruefully that he expected them to cause difficulties for him.

ELECTION SCHEDULE

19. (C) Deuba cited "strong rumors" circulating now that the Royal Nepal Army (RNA) does not support holding the elections. Elections could be held "phase-wise" to allay security concerns, in up to six phases beginning in the Himalayan region, he suggested. This schedule might not be completed before February, he acknowledged. He asked both the U.S. and UK to send international observers to oversee the elections. Amb. Bloomfield replied that the EU is deciding September 12 whether or not to send an observer mission.

NEW ARMY CHIEF QUESTIONS ELECTIONS

10. (C) Chief of Army Staff Gen. Pyar Jung Thapa, who assumed his position September 9, told the British Ambassador September 12 that recent Maoist successes in the field (Ref C) have made the RNA leadership question its ability to provide adequate security for the elections. That the Maoists were able to assemble the forces necessary to attack in two

different parts of the country--including a district headquarters--without detection has changed the thinking of both the RNA and the Election Commission, Thapa said. Before people had thought the elections could be held in 2-5 phases; now it looks like 7-8 discrete phases may be necessary. The RNA does not want to be discredited by a botched election, the Army Chief noted. But "no one wants to grasp the nettle" and say out loud that elections cannot be held; neither the RNA nor the Election Commission feels in a position to do so.

COMMENT

11. (C) Despite Deuba's assertions that the King can force him neither to resign nor to postpone elections, the PM is clearly rattled by mounting reports that the Palace is preparing to make a move. Clause 127 does not stipulate that the King must seek the PM's approval before taking action. Rather, orders issued by the King under the Clause "shall be laid before Parliament"--which, in the absence of the Lower House, translates to the Upper House of Parliament, many of whose members are appointed by the King. It is interesting that the PM did not allege, as have some other political players over the past few days, that the King's prospective actions represent a threat to democracy. Instead, he obviously sees the threat in much more personal terms. Postponing the elections for him means undermining his credibility as a leader and thus his longevity as a politician. But without similar enthusiasm for elections from other key players--the Election Commission, the RNA, and most important, other party leaders who may see an opportunity in Deuba's demise--it is unclear that the Prime Minister alone can withstand what may be the beginning of a full-court Palace press.

MALINOWSKI